

**AMENDMENT NO. 2
TO THE
CITY OF LINCOLN REDEVELOPMENT AGREEMENT
(Telesis/Dairy House Project)**

This Amendment No. 2 to the City of Lincoln Redevelopment Agreement (Telesis/Dairy House Project) is entered into this ____ day of _____, 2012 by and between the City of Lincoln, Nebraska, a municipal corporation (the "City") and The Dairy House, L.L.C., a Nebraska limited liability company (the "Developer").

RECITALS

A. The City and Redeveloper entered into that City of Lincoln Redevelopment Agreement (Telesis/Dairy House Project) dated January 27, 2011 ("Redevelopment Agreement"), in which the Redeveloper proposed to redevelop the former Meadow Gold dairy facility located between 7th and 8th Streets and "L" and "M" Streets in Lincoln, Nebraska. This Redevelopment Agreement provides for Phase One and Phase Two of the redevelopment of this block. Subsequent phases will be covered by additional redevelopment agreements.

B. Pursuant to Amendment No. 1 to the City of Lincoln Redevelopment Agreement (Telesis/Dairy House Project), entered into by and between the City and the Redeveloper dated August 11, 2011 ("Amendment No. 1"), the parties agreed to establish the Effective Date and revise the amount of the TIF Proceeds applicable to the Phase One Redeveloper Improvements and the Phase Two Redeveloper Improvements.

C. This Amendment No. 2 to the City of Lincoln Redevelopment Agreement (Telesis/Dairy House Project) ("Amendment No. 2") is intended to re-designate the condominium units which comprise the Phase One project to include condominium units E and F of the Dairy House Condominium House Regime pursuant to that amended Declaration of Condominium as recorded with the Lancaster County Register of Deeds.

NOW, THEREFORE, in consideration of the above recitals and mutual covenants contained herein, the City and Redeveloper agree as follows:

1. Phase One Private Improvements. Notwithstanding anything else to the contrary as found in the Redevelopment Agreement and Amendment No. 1, the Phase One Redeveloper Improvements shall be constructed by Redeveloper on that real property legally described as:

"Units E and F, and such other condominium units as are deemed necessary, Dairy House Condominium Regime under that Declaration of Condominium recorded December 30, 2010 as Instrument No. 2010-0615710 as amended by that First Amendment to Declaration recorded September ___, 2012 as

Instrument No. 2012-_____, City of Lincoln, Lancaster County, Nebraska.”

Specifically, Recital C(1) of the Redevelopment Agreement is hereby modified to redesignate Building Units E and F and such other condominium units as are deemed necessary as comprising the Phase One Redevelopment Project. The additional condominium units to be added to Units E and F shall be finalized prior to the filing of the Notice to Divide Taxes with the Lancaster County Assessor.

2. Exhibits. Attached hereto as Exhibit “A” is the revised legal description of the building condominium units which comprise the Phase One Redevelopment Project. Attached hereto as Exhibit “C” is the revised Sources and Uses which was intended to be attached to Amendment No. 1, but was inadvertently omitted therefrom. Attached hereto is Exhibit “G” which is the Memorandum of Redevelopment Agreement and Use Restrictions to be executed by the City and Redeveloper and to be recorded against the Phase One Redeveloper Improvements upon completion of construction and the issuance of the Certificate of Completion, pursuant to paragraph 4 of the Redevelopment Agreement.

3. Confirmation. The City and Redeveloper otherwise reconfirm all other terms and conditions of the Redevelopment Agreement, the Amendment No. 1, except as expressly modified by the terms of this Amendment No. 2.

Executed as of the date first above written.

ATTEST:

“CITY”

CITY OF LINCOLN, NEBRASKA, a
municipal corporation

City Clerk

By: _____
Chris Beutler, Mayor of Lincoln

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012 by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

Notary Public

“REDEVELOPER”

THE DAIRY HOUSE, L.L.C., a
Nebraska limited liability company

By: _____
Eric Schafer, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012 by Eric Schafer, Manager of The Dairy House, L.L.C., a Nebraska limited liability company, on behalf of the company.

Notary Public

EXHIBIT "A"
Legal Description

Units E and F, and such other condominium units as are deemed necessary, under that Declaration of Condominium recorded December 30, 2010 with the Register of Deeds of Lancaster County as amended by that First Amendment to Declaration recorded September __, 2012 as Instrument No. 2012-_____, City of Lincoln, Lancaster County, Nebraska.

Exhibit “C”
Sources and Uses - Phase I
(Amendment No. 2)

Sources	Description	Amount
<i>TIF</i>		\$ 451,000
<i>Other Sources</i>		\$ 3,450,000
Total Sources		\$ 3,901,000

Uses of Funds	Description	Amount
<i>Total Private Improvements</i>		\$ 3,450,000
<i>Total Public Improvements/Enhancements</i>		\$ 451,000
Right-of-Way Improvements	\$ 50,000	
Reimbursement for Façade Upgrades	\$ 401,000	
Geothermal Enhancements	\$ -	
Total Uses		\$ 3,901,000

Sources and Uses - Phase II

Sources	Description	Amount
<i>TIF</i>		\$ 200,000
<i>Other Sources</i>		\$ 2,460,000
Total Sources		\$ 2,660,000

Uses of Funds	Description	Amount
<i>Total Private Improvements</i>		\$ 2,460,000
<i>Total Public Improvements/Enhancements</i>		\$ 200,000
Right-of-Way Improvements	\$ 50,000	
Reimbursement for Façade Upgrades	\$ 150,000	
Total Uses		\$ 2,660,000

EXHIBIT "G"

MEMORANDUM OF REDEVELOPMENT AGREEMENT AND USE RESTRICTIONS

This Memorandum of Redevelopment Agreement ("Memorandum") is made this ____ day of _____, 2012 by and between the City of Lincoln, Nebraska, a municipal corporation ("City"), and The Dairy House, L.L.C., a Nebraska limited liability company ("Redeveloper").

1. **Redevelopment Agreement.** The City and Redeveloper have entered into that certain Redevelopment Agreement dated as of January 27, 2011 as amended by Amendment No. 1 dated as of August 11, 2011, and as further amended by Amendment No. 2 dated as of this even date, describing the public improvements being made by the City in the Redevelopment Area and the private improvements being made to real property owned by Redeveloper and legally described as:

Units E and F, Dairy House Condominium Regime pursuant to that Declaration of Condominium recorded December 30, 2010 as Instrument No. 2010-0615710 as amended by that First Amendment to Declaration recorded September ____, 2012 as Instrument No. 2012-_____, City of Lincoln, Lancaster County, Nebraska (the "Project Site").

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the City of the private improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the Project Effective Date defined in the Redevelopment Agreement. The Tax Increment so captured by the City shall be used to make the public improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the office of the City Clerk of Lincoln, Nebraska.

4. **Use Restrictions of the Phase One Project Site.** Redeveloper hereby represents and agrees that neither all nor any portion of the Phase One Project Site shall be used, directly or indirectly, for the following uses:

(i) A liquor store selling alcoholic beverages for consumption off the premises, but specifically excluding the micro-brewing establishment of Redeveloper or its affiliate that sells alcoholic beverages for consumption off the premises;

(ii) Any business whose predominant operation is the retail sale of tobacco products (predominant shall mean retail gross sales of tobacco products, including mixed products, in excess of 50% of gross sales on the premises) or any such use that has an unreasonable pattern of unlawful disturbances or tobacco law violations;

(iii) A sexually oriented business including live entertainment establishments as defined in Section 27.03.545 of the Lincoln Municipal Code and any other business engaged in sexually oriented entertainment or materials;

(iv) Any business whose predominant operation is the use, storage or processing of hazardous or potentially hazardous materials as defined under applicable law, including any outdoor salvage or recycling operation, car wash, dry cleaning, vehicle body repair, paint, refinishing, or parts and equipment cleaning business; provided nothing herein shall be construed to prohibit dry cleaning pickup facility, convenience, food or fuel store;

(v) Any business involving gambling or wagering even if otherwise permitted by law including slot machines, video lottery machines, casino games, or off-site pari-mutual wagering sites, but excluding keno, bingo, and the retail sale of lottery tickets as permitted by applicable law;

(vi) Any business involving the sale or display of weapons, self-service laundromat for nonresidents or non-occupants of the Redeveloper Property, illegal activities, or sale of any illegal goods or products;

(vii) Any off-premises sign as defined in Section 27.69.020 of the Lincoln Municipal Code;

(viii) Any free-standing cell tower – excluding a cell antenna on top of any existing or proposed building.

It is intended that each of the use restrictions set forth above shall extend beyond the expiration of the Tax Increment Period, shall run with the land, shall bind every person having any fee or other interest in the Phase One Project Site, and shall inure to the benefit of the parties hereto and their successors and permitted assigns.

[SIGNATURE PAGES TO FOLLOW]

Executed by the City this ____ day of _____, 2012.

ATTEST:

CITY OF LINCOLN, NEBRASKA
a municipal corporation

City Clerk

Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Chris Beutler, Mayor of the City of Lincoln, a municipal corporation.

Notary Public

Executed by Redeveloper this ____ day of _____, 2012.

THE DAIRY HOUSE, L.L.C., a
Nebraska limited liability company

Eric Schafer, Manager

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Eric Schafer, Manager of The Dairy House, L.L.C., a Nebraska limited liability company, on behalf of the company.

Notary Public